

news release

2 July 2013

Kisaran rig moves to new well site

The rig used to drill the Parit Minyak-2 (PM-2) exploration well, located in the Kisaran PSC in onshore Sumatra, is being moved to the Parit Minyak-3 (PM-3) drill site.

Drilling at PM-3 is expected to begin before the end of July.

Meanwhile, fracture stimulation of the Pemantang 4 formation in the PM-2 well is scheduled for late August/September 2013.

New Zealand Oil & Gas has become aware that certain media reports have been published claiming the well at PM-2 has been plugged and abandoned after testing maximum production rates of 100 barrels per day. These reports are incorrect. In fact the well is suspended while preparations for fracture stimulation continue. The operator is not yet in a position to announce potential flow rates or forecast the commercial viability of the well. A report detailing actual production rates will be released to the market following approval by Indonesian authorities. New Zealand Oil & Gas is encouraged by results from drill stem tests to date.

New Zealand Oil & Gas has a waiver from the NZX in relation to certain disclosures about progress in testing because announcements can only be made with approval from the Indonesian regulator.

New Zealand Oil & Gas Ltd has a 22.5% stake in the joint venture through the share ownership of its subsidiary NZOG Asia Pty Ltd in Pacific Oil & Gas (North Sumatra) Ltd. The Kisaran Joint Venture partners are Pacific Oil & Gas (Kisaran) Ltd (55 per cent and operator) and Pacific Oil & Gas (Sumatera) Inc (22.5 per cent).

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO